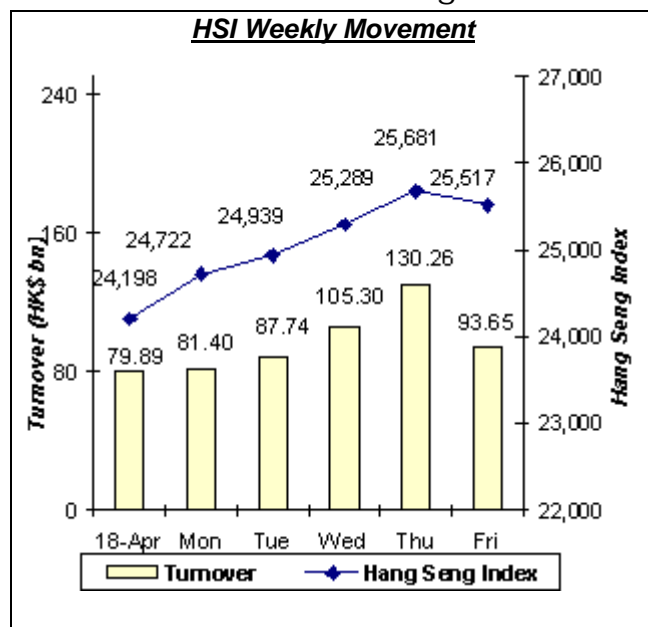


HSI surged on Mainland's new measures



Weekly Market Statistics				
Week ended	25/4/2008	18/04/2008	Change	%
Hang Seng Index	25,517	24,198	+1,319	+5.5%
HS Red Chip Index	5,780	5,603	+177	+3.2%
HS China Enterprises Index	14,222	12,675	+1,546	+12.2%
HS Composite Index	3,581	3,392	+190	+5.6%
HS HK Composite Index	2,625	2,551	+74	+2.9%
HS Mainland Composite Index	4,763	4,444	+319	+7.2%
Growth Enterprise Index	861	836	+26	+3.1%
Avg Daily Turnover (HK\$ bn)	99.7	72.7	+27	+37.1%
Sectoral Indices				
Finance	37,702	35,429	+2,273	+6.4%
Utilities	43,188	44,136	-948	-2.1%
Properties	31,962	29,867	+2,095	+7.0%
Comm & Ind	14,769	14,072	+696	+4.9%

Review & Outlook of Market Performance

The HSI rebounded and hit a 3-month high over the week, benefited from the mainland's market-boosting measures by limiting sales of non-tradable shares and cutting the stamp duty of the mainland stock market transactions to 0.1% from 0.3%. Investors appeared to be in a frenzy of joy particularly following the cut in stamp duty. The Shanghai index surged by 9.29% on Thursday, taking the Hong Kong market along in a rally. However, profit taking set in on Friday as investors were cautious ahead of the next week's FOMC meeting. Over the week, the HSI jumped 5.45% to 25,516.78, while the HSCEI vaulted 12.20% to 14,221.62. The daily average turnover of the market jumped to HK\$99.7 billion, compared with HK\$72.7 billion in the previous week as investors chased after the PRC-related stocks.

Insurance firms benefited on hopes that they could benefit from buying non-tradable Chinese shares through private placements. Ping An (#2318) rose 19.77% to HK\$71.8, China Life (#2628) was up 17.57% to HK\$33.8 and PICC (#2328) rose 19.91% to HK\$7.89. Meanwhile, Sinopec (#0386) and PetroChina (#0857) jumped 12.81% and 18.74% respectively on news that government would provide monthly subsidies to offset their mounting refining losses and speculation over a review of the existing windfall tax system. Independent Power Producers also showed strong performance amid speculation on tariff hike. Share prices of Huaneng Power (#0902), Huadian Power (#1071) and Datang Power (#0991) rose 18.40%, 22.56% and 17.42% w-o-w, respectively.

Thanks to improved investor confidence, Maoye International (#0848) drew HK\$3.3 billion orders by Thursday for its IPO in Hong Kong, with oversubscription of 0.5 times and more than two times for its retail tranche and the institutional tranche, respectively. The counter is scheduled to be debuted on 5th May.

For the next week, market spotlight should fall on the interest-rate decision after the FOMC meeting, the first-quarter earnings announcements of mainland-related shares and the response to the new IPO candidate E-Land Fashion China Holding. It is expected that the HSI could trade above its 250-day moving average of around 24,397 amid improving market sentiment.

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US & Regional Markets Weekly Update

Date	US Dow Jones	US NASDAQ	JAPAN Nikkei Avg	SINGAPORE STI	MALAYSIA KLSE Index	BANGKOK SET Index	TAIPEI Weighted Index
Week to							
25th April	12,848.95*	2,428.92*	13,863.47	3,189.20	1,290.13	832.19	8,947.83
18th April	12,849.36	2,402.97	13,476.45	3,124.87	1,267.65	845.40	9,074.34
Change	-0.41	+25.95	+387.02	+64.33	+22.48	-13.21	-126.51
%	-0.0%	+1.1%	+2.9%	+2.1%	+1.8%	-1.6%	-1.4%

Remarks: (*) closing as of 24th April 2008

Major Changes in Index Constituent Stocks (Week ended 25th April 2008)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @25/4/08	W-O-W Change		Remarks / Comments
			Absolute	%	
Ping An	2318	HK\$71.80	+HK\$11.85	+19.77%	Shares jumped on hopes that they could benefit from buying non-tradable Chinese shares through private placements.
China Life	2628	HK\$33.80	+HK\$5.05	+17.57%	

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @25/4/08	W-O-W Change		Remarks / Comments
			Absolute	%	
Beijing Airport	0694	HK\$7.94	+HK\$1.91	+31.67%	Best performed share over the week, yet there was no special news on this company.
China COSCO	1919	HK\$23.65	+HK\$5.25	+28.53%	The counter reported a sharp 134% y-o-y jump in net profit to RMB19.5 billion for FY2007, driven by the dry bulk shipping segment, a fair value gain related to the put options of its container manufacturing arm CIMC as well as disposal gain of Chong Hing Bank.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @25/4/08	W-O-W Change		Remarks / Comments
			Absolute	%	
CITIC Resources	1205	HK\$3.59	+HK\$0.78	+27.76%	Investors were cheered by the company's new plan of raising as much as US\$800 million through spinning off its manganese assets into a separately listed unit as early as the end of this year.

Summary of US Economic News

Indicator	Change/Index	Comments
Existing home sales – March 2008	-2.0%	Existing home sales fell 2%, less than forecast, to 4.93 million units from 5.03 million units in February, indicating that the U.S. housing market would continue to struggle with swelling inventories and sliding prices.
New home sales – March 2008	-8.5%	Sales dropped 8.5% to an annual pace of 526,000 units, the fewest since October 1991, from a 575,000 units in the previous month, on tighter credit and falling prices, which caused buyers to hold off.
Initial jobless claims – the week ended 19 th April 2008	-33,000	Initial jobless claims decreased unexpectedly by 33,000 to 342,000, which was a two-month low, a sign some companies have put firing plans on hold.
New orders for durable goods – March 2008	-0.3%	This was the third consecutive monthly decrease and was mainly due to a big drop in order for transportation goods. In fact, shipment of non-defense capital goods excluding aircraft jumped 1.2% in Mar.

Forthcoming Important Announcements / Events

28 th April 2008 (Monday)	HK	:	Bank of China Ltd (3988) – 1Q 2008 results
	US	:	Hartford Financial Services Group Inc – 1Q 2008 results Verizon Communications Inc – 1Q 2008 results
29 th April 2008 (Tuesday)	HK	:	China Railway Group Ltd (0390) – 1Q 2008 results Semiconductor Manufacturing International Corp (0981) – 1Q 2008 results China CITIC Bank Corp Ltd (0998) – 1Q 2008 results COSCO Pacific Ltd (1199) – 1Q 2008 results Bank of Communications Co Ltd (3328) – 1Q 2008 results Retail sales – March 2008
	US	:	McGraw-Hill Co. Inc. – 1Q 2008 results Valero Energy Corp – 1Q 2008 results Consumer confidence – April 2008
30 th April 2008 (Wednesday)	HK	:	Nam Fong International Holdings Ltd (1176) – final results
	US	:	Colgate-Palmolive Co – 1Q 2008 results Kellogg Co – 1Q 2008 results Kraft Foods Inc. – 1Q 2008 results Procter & Gamble Co – 1Q 2008 results Prudential Financial Inc – 1Q 2008 results Time Warner Inc – 1Q 2008 results GDP (Advance) – 1Q 2008 FOMC meeting announcement
1 st May 2008 (Thursday)	HK	:	Market holiday
	US	:	Exxon Mobil Corp – 1Q 2008 results Initial jobless claims – the week ended 26 th April 2008 ISM Mfg Index – April 2008 Construction spending – March 2008
2 nd May 2008 (Friday)	HK	:	No important announcement/event
	US	:	Chevron Corp – 1Q 2008 results Duke Energy Corp – 1Q 2008 results Washington Post – 1Q 2008 results Factory orders – March 2008

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